



# **How to Navigate the Non-Competitive Technical Analysis (TA) Process without Conflict**

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To understand the context and overall message, please contact the originator included in the last slide of the file.

# Agenda



- What is a Technical Analysis (TA)?
- Why do we need to do TA?
- TA Best Practices and Tips
- TA Questions and Answers
- Questions



# What is a Technical Analysis?



- An **evaluation of a proposal's proposed types and quantities of materials, labor, processes**, special tooling, equipment or real property, the reasonableness of scrap and spoilage, and other associated factors set forth in the proposal(s) **in order to determine the need for and reasonableness of the proposed resources**, assuming reasonable economy and efficiency (reference FAR 15.404-1(e)(1))



- At a minimum, the technical analysis should **examine the types and quantities of materials proposed and the need for the types and quantities of labor hours and the labor mix**. Any other data that may be pertinent to an assessment of the offeror's ability to accomplish the requirements...should also be included in the analysis (reference FAR 15.404-1(e)(2))

# WHY do we need to do technical analysis?



- Federal Acquisition Regulation (FAR) 15.402 states that Contracting Officers SHALL purchase supplies and services from responsible sources at fair and reasonable prices.
- **Contracting Officers are not the technical experts** so they must rely on environmental subject matter experts to assist with evaluation of the technical proposal for the purpose of determining prices fair and reasonable
- The TA **is the basis for establishing the Government's Pre-Negotiation Position** going into negotiations.
- We have a fiduciary responsibility to the taxpayer to make sure their tax dollars are spent wisely.



# Technical Analysis Best Practices and Tips



## •Technical Analysis Process



- COMMUNICATE, COMMUNICATE, COMMUNICATE:** Talk to your Contracting Officer/Specialist **BEFORE** you start your technical analysis so you are both in agreement on the level of detail required.
- Know the technical approach and assumptions in your SOW/PWS. Your **Independent Government Estimate (IGE)** serves as the **baseline** of comparison when evaluating the contractor's technical proposal.
  - Major differences between the IGE and contractor's proposal may be due to a completely different technical approach and/or set of assumptions.
- The TA should be written with enough detail so any CS and/or RPM with **no** knowledge of the project can understand it and negotiate the contract TO/project.

**SOLID IGE = NO (or little) TA**  
**WHAT???**



# Technical Analysis Best Practices and Tips Continued



## –Be specific in your write-up – Focus on **WHY**

- Level of technical detail should be sufficient for Contracting Officer to conduct negotiations without technical expert's participation, but the technical expert should always participate.
- Discuss ALL major differences
- Could use previous Task Order (CTO)
- Don't ignore Subcontractor Costs
- Don't Ignore Profit --
  - Profit can be added for Labor and Other Direct Costs (ODCs), but not for travel.
  - While maximum available Award Fee is established at the contract level, profit for fixed price contracts should be negotiated at the task order level based upon project risk and complexity
  - Use Weighted Guidelines → profit is the cost of risk assumed by the ktr





# Technical Analysis Best Practices and Tips Continued



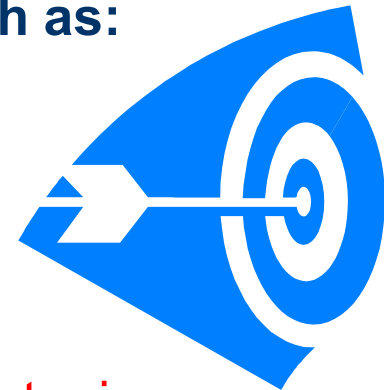
- **Avoid the following:**

- **Don't make vague, overarching statements such as:**

- The work is more complex than anticipated
    - The IGE underestimated the LOE required
    - The contractor has a better understanding

- **Instead use:**

- The work is more complex **because** the contractor is suggesting a different technology than the government estimated.
    - The IGE underestimated the LOE required **because** it did not account for the complications of the certain endangered species in the area.
    - The contractor has a better understanding **because** they have been studying the emergent contaminate for several years.



# Technical Analysis Best Practices and Tips Continued



**–Don't accept proposed costs because they are “close to” or “in-line” with the IGE.**

- We will negotiate the contractor down to our number, not go up to their number
- If you don't have a strong technical reason for regarding a higher number you can say “it appears excessive”



**–Don't take requested changes personally**

- Contract specialists rely heavily on your technical analysis to make a fair and reasonable determination, however the determination is ultimately made by them.

# Technical Analysis Questions & Answers



## Question #1:

**At a minimum, the TA should examine what?**

- A. Every single element of the proposal**
- B. Just the labor hours and the labor mix**
- C. Those elements of the proposal you and the CS/KO determine is necessary to negotiate or reach a fair and reasonable price determination**
- D. Whatever I decide**

**ANSWER: C.**

# Technical Analysis Questions & Answers



## Question #2: Why do we need to do technical analysis?

- A. To assist the Contracting Officer in making a fair and reasonable price determination.
- B. To form the basis of the Government's Pre-Negotiation Position (if negotiations are required).
- C. To document that the contractor's proposal satisfies the technical requirements of the PWS/SOW.
- D. We don't always "need" to do a written technical analysis
- E. All of the above

**ANSWER: E.**

# Technical Analysis Questions & Answers



**Question #3 True or False: The RPM does not need to address situations where the contractor's proposal is less than the IGE.**

**ANSWER: False. Acquisition still needs a statement that prices are based on a thorough understanding of scope , an acceptable technical approach method with fair and reasonable material types/quantities and quantities of labor hours and labor mix.**



**EVERY PROJECT IS UNIQUE,**  
TALK TO YOUR ASSIGNED CONTRACT  
SPECIALIST/CONTRACING OFFICER EARLY  
AND OFTEN SO YOU ARE BOTH IN  
AGREEMENT ON THE LEVEL OF DETAIL  
REQUIRED

## Examples: Strong or Weak Write-up?



The IGE, which was based on previously completed contracts/task orders (provide contract #s), included a total of 250 labor hours to complete this task, whereas the contractor's proposal included a total of 300 hours. After review of the contractor's technical proposal it is determined that they possess a thorough understanding of the scope of work for this task, and although the level of effort proposed is higher than anticipated, the contractor is proposing to utilize lower level personnel to complete this effort and the proposed cost is lower than the IGE. Although the proposed labor mix differs from the IGE, it is determined to be acceptable to successfully complete all requirements of the scope. The PNP is to accept the contractor's proposed labor mix and cost.



## Another...



**The IGE included a total of 250 labor hours compared to 300 labor hours proposed. After review of the contractor's proposal it is apparent that the IGE underestimated the level of effort required to complete this task. The Government's position is to accept the proposed level of effort.**





## And another...



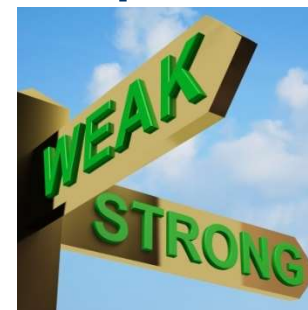
**The contractor's proposal for subcontractor costs was \$25,000 higher than the IGE. After review of the proposed basis of estimate it was determined that the work is more complex than originally anticipated. The Government's position is to accept the proposed subcontractor costs.**



## And one more...



The IGE, which was based on previously completed contracts/task orders (provide contract #s), included a total of 250 labor hours to complete this task, whereas the contractor's proposal included a total of 300 hours. After review of the contractor's technical proposal it is determined that they possess a thorough understanding of the scope of work for this task, and although the level of effort proposed is higher than anticipated, the contractor is proposing to utilize lower level personnel to complete this effort and the proposed cost is lower than the IGE. Although the proposed labor mix differs from the IGE, it is determined to be acceptable to successfully complete all requirements of the scope. The PNP is to accept the contractor's proposed labor mix and cost.



And the takeaway is...



COMMUN-ICATE

# Contacts and Questions



## Points of Contact

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## Questions ?